

Economic Indicators

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Hawaii's Food Supply

Hawaii was of course totally self-sufficient in food in the days before Captain Cook, but following the arrival of foreigners, the development of commerce, and the huge increases in population during this century, the percentages of food supplied locally have been sliding downhill until today we provide only 20 percent of our own food.

This isn't necessarily bad, although government agencies and the community in general have given much attention to the concept of Hawaii's becoming more self-sufficient in food. It is true that there isn't much we eat that from a physical or cultural viewpoint couldn't be produced in Hawaii, and there is a good deal of agricultural land not in cultivation that could (at least in theory) be made available to grow more of what we need to eat. Unfortunately, the difference between simply being able to grow or produce something and being able to grow or produce it economically at a better price than some overseas competitor is very great.

Why we don't produce more of our own food is a complicated question and the answer differs from item to item. For example, the problems of the cattle rancher producing beef for the local market are quite different in both kind and degree from the problems of the taro farmer or tomato grower. However, the analyses we have made of this subject lead us to the generalization that most of the problems are encompassed, in one degree or another, in the following list of disadvantages of trying to produce food for the market in Hawaii: high price of land, high taxes, high cost of imported materials and equipment, high cost of local transportation and energy, high risks of raising produce for Hawaii's small and easily-flooded market, inability to compete with the economies of scale of large Mainland farms, and extremely difficult problems of pest and disease control. As a result,

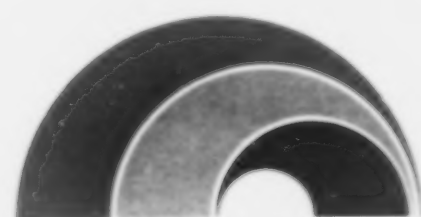
most foods can be produced elsewhere more economically, shipped to Hawaii, and still sell at prices that would be totally unprofitable for local farmers.

The food items in which we are least able to compete with overseas suppliers (and hence have to import practically 100 percent of our needs) are cereal and bakery products; cured pork and luncheon meats; butter, cheese and ice cream; canned and dried fruits; processed vegetables; candy and other sweets; beverages; and miscellaneous processed foods such as soups, condiments, baby foods, etc. It is true that some of these items are processed locally (e.g., bakery products, candies, beverages, ice cream) but most of the ingredients are shipped in; and it is also true that we do produce a few items in this list like canned pineapple and macadamia nuts, but these constitute fractional percentages of our food budget. These groups of foods which are almost entirely imported account for 43.7 percent of the budget of Hawaiian residents for food to be consumed at home.

At the other extreme are a group of foods which we produce in such quantity and so efficiently that practically none are imported—in these we are totally self-sufficient. Leading the list would be sugar (the last imports being during the long sugar strike in 1958) with the other items being the fresh dairy products of milk, cream, yogurt, sour cream, and cottage cheese. These items account for 7.3 percent of our food budget.

The items that constitute the remaining 49 percent of our food budget are produced both in Hawaii and imported from overseas. How much is produced locally and how much is imported varies from time to time for the same item and differs rather considerably from item to item. The figures for these food items for both 1963 and 1980 are shown in the table below.

	1963		1980	
	Local	Imports	Local	Imports
	(%)	(%)	(%)	(%)
Beef and veal	51.4	48.6	30.5	69.5
Pork—fresh and sausage	40.9	59.1	23.0	77.0
Poultry	33.7	66.3	8.4	91.6
Seafood	49.0	51.0	25.0	75.0
Eggs	92.4	7.6	88.7	11.3
Fresh fruits and fruit juices	39.6	60.4	23.2	76.8
Fresh vegetables	47.3	52.7	39.7	60.3



First Hawaiian Bank

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business activity-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	October	299,825p	6.5	4.7
Westbound	number	Jan.-Oct.	3,276,887p	.....	-0.1
	number	October	230,390p	13.3	3.2
Eastbound	number	Jan.-Oct.	2,491,119p	.....	-2.4
	number	October	69,435p	-11.4	9.9
AVERAGE DAILY VISITOR CENSUS*	number	Jan.-Oct.	785,768p	.....	7.8
AVERAGE LENGTH OF STAY*	no. of days	October	73,891p	5.5	0.8
MEETINGS ATTENDANCE	number	October	9.9	-4.8	-2.9
ORGANIZED GROUP TOURS	number	October	17,022	-7.5	-9.2
NEIGHBOR ISLAND VISITORS*	number	October	58,221	32.4	-9.0
Maui	number	October	105,843p	17.0	0.3
	number	Jan.-Oct.	1,132,972p	.....	-2.7
Hawaii	number	October	51,944p	17.9	-9.6
	number	Jan.-Oct.	541,280p	.....	-16.9
Kauai	number	October	60,310p	15.5	-4.1
	number	Jan.-Oct.	617,888p	.....	-7.5
VISITOR ACCOMMODATIONS					
STATE	number	October	57,239	1.3	2.8
Oahu	number	October	33,480	-0.3	-2.1
Waikiki	number	October	28,986	-0.4	-4.3
Maui includes 11 on Lanai	number	October	10,782	0.7	8.2
Molokai	number	October	537	-0.4	-3.8
Hawaii	number	October	7,219	5.2	14.6
Kauai	number	October	5,221	8.1	10.9
HOTEL OCCUPANCY					
STATE	percent	October	n.a.	.....	.....
Oahu	percent	October	69.8	-8.6	1.9
Maui	percent	October	n.a.	.....	.....
Hawaii	percent	October	47.2	11.3	-4.5
Kauai	percent	October	64.9	13.1	-7.0
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. \$	3rd Qtr. 1981	377.0	10.2	10.0
Military Payroll	mil. \$	3rd Qtr. 1981	155.0	5.0	17.6
Civilian Payroll	mil. \$	3rd Qtr. 1981	122.1	15.0	7.4
Local Purchase	mil. \$	3rd Qtr. 1981	103.6	13.1	2.7
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-Nov.			
N.Y. RAW SUGAR PRICE	\$/ton	November	326.80	4.3	-58.5
PINEAPPLE SHIPMENTS					
CANNED*	thous. \$	Jan.-Sept.	146.1	.....	-4.3
FRESH	thous. lbs.	Jan.-Oct.	195,241	.....	14.7
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and					
Clerical Workers (Revised: All items)	1967=100	October	259.1	1.0 ²	11.0
All Urban Consumers (All items)	1967=100	October	259.3	1.1 ³	10.5
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	October	580.5	0.7	-1.6
GAS SALES	thous. therms	October	3,702	-4.4	-6.0
TELEPHONES IN SERVICE	thous.	October	725	0.2	2.4

n.a. = not available
p = preliminary
*Estimated Westbound.
*Gross taxable income valued at time of shipment.
*Compared to August, 1981.

Business Activity

Readers who use the data which appear on these statistical pages will be pleasantly surprised to find the tax base figures on business transactions in Hawaii far more complete and up to date than at any time in the last four and a half years. These valuable data, which give us a very good fix on the volume of business done in each of some 13 different industrial categories in the state, are now coming out promptly within a month after the month in which the tax is paid. Our thanks go out to George Freitas and Wally Aoki, director and deputy director respectively of the State Tax Office, for the reorganization procedures they have initiated recently in order to achieve this result.

And now that we have the statistics, assuming that they are an accurate reflection of what's actually happening, we see that local business

business activity-hawaii [cont.]

series	unit	period	number	percent change	
				from preceding period	year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. \$	September	145.0	9.0	3.7
	mil. \$	Jan.-Sept.	1,231.9	.....	1.9
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. \$	Jan.-Aug.	384,654	.....	-16.0
C&C of Honolulu	thous. \$	Jan.-Oct.	213,955	.....	1.1
Maui County	thous. \$	Jan.-Aug.	98,522	.....	-32.9
Hawaii County	thous. \$	Jan.-Oct.	67,703	.....	-32.7
Kauai County	thous. \$	Jan.-Oct.	35,699	.....	-48.5
SINGLE FAMILY UNITS					
STATE	number	Jan.-Aug.	1,821	.....	-32.2
C&C of Honolulu	number	Jan.-Oct.	631	.....	-49.0
Maui County	number	Jan.-Aug.	299	.....	-47.7
Hawaii County	number	Jan.-Oct.	897	.....	-12.1
Kauai County	number	Jan.-Oct.	290	.....	-8.2
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Aug.	3,112	.....	-24.9
C&C of Honolulu	number	Jan.-Oct.	1,878	.....	-6.7
Maui County	number	Jan.-Aug.	1,007	.....	-22.3
Hawaii County	number	Jan.-Oct.	293	.....	-60.4
Kauai County	number	Jan.-Oct.	118	.....	-85.0
NONRESIDENTIAL					
STATE	thous. \$	Jan.-Aug.	243,343	.....	-2.9
C&C of Honolulu	thous. \$	Jan.-Oct.	196,278	.....	-9.5
Maui County	thous. \$	Jan.-Aug.	20,356	.....	-39.1
Hawaii County	thous. \$	Jan.-Oct.	59,927	.....	76.3
Kauai County	thous. \$	Jan.-Oct.	17,423	.....	-44.6
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. \$	Jan.-Nov.	380,523	.....	68.6
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. \$	Jan.-Nov.	172,237	.....	194.6
STATE	thous. \$	Jan.-Nov.	141,271	.....	18.3
COUNTY	thous. \$	Jan.-Nov.	67,014	.....	40.2
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. \$	Jan.-Nov.	337,792	.....	105.7
Maui County	thous. \$	Jan.-Nov.	8,887	.....	-50.3
Hawaii County	thous. \$	Jan.-Nov.	18,028	.....	-45.0
Kauai County	thous. \$	Jan.-Nov.	15,816	.....	46.3
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967 = 100	November	299.9	0.8	3.9
HIGH-RISE	1967 = 100	November	320.8	1.7	7.2
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. \$	September	1,674.0	-0.3	0.6
	mil. \$	Jan.-Sept.	16,214.7	.....	11.8
DIVERSIFIED MANUFACTURING	mil. \$	September	50.2	0.5	-6.4
	mil. \$	Jan.-Sept.	491.3	.....	1.0
DIVERSIFIED AGRICULTURE	mil. \$	September	16.0	41.2	-1.9
	mil. \$	Jan.-Sept.	134.6	.....	33.4
RETAILING	mil. \$	September	562.2	-12.5	6.1
	mil. \$	Jan.-Sept.	5,521.4	.....	14.1
WHOLESALE	mil. \$	September	415.0	2.1	5.2
	mil. \$	Jan.-Sept.	4,524.3	.....	27.0
SERVICES	mil. \$	September	358.5	15.7	-2.6
	mil. \$	Jan.-Sept.	3,120.8	.....	6.3
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	September	2,177	9.5	-2.9

has not really been faring so badly after all. Despite the second year of decline in tourism and a weaker job picture, the Tax Department shows gross business receipts through September up 11.8%, and ahead of the 10.6% inflation rate.

Retail sales were up 14.1% through September, somewhat surprising in light of reports generally circulating in the media today telling of the woes of retailers. Undoubtedly, some of the increase in retail sales is due to higher gasoline prices with the decontrol of oil prices at the beginning of the year, but that would account for at most only about 1 or 2 percent of the gain.

Wholesale sales have taken a quantum leap this year, far surpassing the gain in retailing, indicating a substantial inventory backlog. Through September, wholesale sales gained 27% relative to 1980. The same sort of trend

finance - hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil \$	October 31	4,644.1	2.0	9.8
Honolulu County	mil \$	October 31	3,860.9	2.6	11.9
Maui County	mil \$	October 31	272.3	-1.1	-1.8
Hawaii County	mil \$	October 31	342.5	-0.9	-1.5
Kauai County	mil \$	October 31	168.3	-1.4	10.9
BANK DEMAND DEPOSITS					
STATE	mil \$	October 31	1,030.4	-2.6	-16.2
Honolulu County	mil \$	October 31	877.9	-2.0	-14.9
Maui County	mil \$	October 31	58.2	-3.5	-30.4
Hawaii County	mil \$	October 31	65.4	-8.7	-22.1
Kauai County	mil \$	October 31	29.0	-4.7	-7.5
DEBITS TO DEMAND DEPOSITS					
STATE	mil \$	October	8,045.5	2.3	10.1
Honolulu County	mil \$	October	7,469.2	2.4	12.1
Maui County	mil \$	October	236.7	-0.9	-13.9
Hawaii County	mil \$	October	246.4	2.6	-8.1
Kauai County	mil \$	October	93.2	-0.1	-5.3
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	October	92.47	6.1	29.8
Honolulu County	annual rate	October	101.09	5.6	30.1
Maui County	annual rate	October	47.95	9.3	20.8
Hawaii County	annual rate	October	43.17	9.0	14.6
Kauai County	annual rate	October	37.67	2.8	4.0
STATE TAX COLLECTIONS*					
TAX COLLECTIONS	thous \$	October	96,088	-16.1	-2.0
Jan-Oct	thous \$		1,108,511		5.4
Honolulu County	thous \$	October	84,483	-16.1	-1.2
Jan-Oct	thous \$		964,571		5.6
Maui County	thous \$	October	4,349	-8.4	-15.4
Jan-Oct	thous \$		56,058		4.0
Hawaii County	thous \$	October	4,666	-26.2	-10.2
Jan-Oct	thous \$		61,263		5.5
Kauai County	thous \$	October	2,589	15.8	13.9
Jan-Oct	thous \$		26,620		2.5

*Excludes property taxes which were formerly collected by the State but are now collected by the Counties.

employment and unemployment-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
State	thous	October	409.2p	2.0	3.4
Unemployed	thous	October	386.5p	1.7	2.9
Unemployment rate	percent	October	22.7p	7.3	12.9
State	thous	October	5.6p	5.7	9.8
Honolulu County	thous	October	319.4p	1.7	3.2
Maui County	thous	October	302.8p	1.4	2.8
Hawaii County	thous	October	16.6p	6.8	10.3
Kauai County	thous	October	5.2p	4.0	6.1
State	thous	October	34.3p	3.6	4.4
Unemployed	thous	October	32.2p	3.2	4.0
Unemployment rate	percent	October	2.1p	10.3	7.5
Honolulu County	thous	October	6.3p	6.8	5.0
Maui County	thous	October	36.9p	1.8	3.6
Hawaii County	thous	October	34.1p	1.3	2.4
Kauai County	thous	October	2.8p	7.5	21.3
Unemployment rate	percent	October	7.7p	5.5	16.7
State	thous	October	18.5p	5.4	5.4
Unemployed	thous	October	17.3p	5.2	3.6
Unemployment rate	percent	October	1.1p	15.0	43.8
Honolulu County	thous	October	6.2p	6.9	37.8
JOB COUNT BY INDUSTRY					
State	thous	October	438.8p	1.0	-0.4
Unemployed	thous	October	9.3p	0	3.4
Unemployment rate	percent	October	3.4p	-25.6	-11.8
State	thous	October	16.2p	0.6	-0.6
Unemployed	thous	October	4.3p	-3.4	-2.3
Unemployment rate	percent	October	11.9p	2.1	0
State	thous	October	3.0p	1.7	1.7
Unemployed	thous	October	8.9p	4.7	-1.7
Unemployment rate	percent	October	21.9p	-0.9	-4.4
Maui County	thous	October	21.3p	-0.9	-1.4
Hawaii County	thous	October	7.4p	-0.7	1.4
Kauai County	thous	October	2.6p	0	0
Unemployment rate	percent	October	86.3p	0	-0.1
State	thous	October	18.4p	-0.5	-0.8
Unemployed	thous	October	32.0p	-0.6	-1.2
Unemployment rate	percent	October	24.2p	-1.6	-3.6
Maui County	thous	October	14.1p	-4.4	-7.5
Hawaii County	thous	October	5.3p	3.9	2.9
Kauai County	thous	October	3.0p	1.7	1.7
Unemployment rate	percent	October	1.9p	2.8	2.8
State	thous	October	75.0p	-0.5	1.1
Unemployed	thous	October	30.9p	1.6	3.5
Unemployment rate	percent	October	11.0p	0.9	-0.9
State	thous	October	19.9p	2.1	6.1
Unemployed	thous	October	44.7p	14.8	-0.1
Unemployment rate	percent	October	12.5p	-1.2	-4.6
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT EMPLOYMENT	dollars	October	13.75p	-0.1	13.3
Unemployment rate	percent	October	32.0p	-1.8	-8.3
State	dollars	October	7.80p	-1.1	10.8
Unemployment rate	percent	October	39.3p	5.9	0.8
State	dollars	October	10.26p	-0.9	8.5
Unemployment rate	percent	October	43.1p	-0.5	-4.0
State	dollars	October	6.13p	-6.0	9.7
Unemployment rate	percent	October	33.1p	0.3	0.3
State	dollars	October	212.01p	1.2	15.7
Unemployment rate	percent	October	6.01p	-2.4	8.9
State	dollars	October	32.9p	0	9.7

p=preliminary
*The hours and earnings for hotel farm workers is based on a survey taken once every January, April, July, and October.

is occurring on the Main-land-retail sales lagging wholesale sales, resulting in mounting inventories.

The other tax-base numbers were not quite so surprising. Service sales advanced 6.3% through September, not unreasonable for a weak economy. Sales in diversified agriculture soared 33.4% but that reflects a rebound from a very depressed 1980 when unusually bad weather resulted in an 18.8% decline in total farm sales. Construction put in place increased 1.9%, a drop in real terms, as high interest rates and a weak economy have taken their toll on this industry. And diversified manufacturing increased a mere 1%, in large part reflective of reduced demand for construction materials.

Consumer Prices

Locally, inflation has slowed considerably in recent months. Between April and October the Honolulu Consumer Price Index increased at an annual rate of 7.6%, a vast improvement over the galloping rate of 18.7% recorded in the first four months of the year. Because of the steep increases early in the year, the increase over a 12-month span still remains in double-digit territory, and will likely end the year that way. The October 1981 CPI was 10.5% ahead of October 1980.

The most recent increase in the CPI between August and October 1981, was 1.1%, 6.5% at an annual rate. This increase was below the average nationally of 1.6%, at an annual rate. Locally, prices for food, housing and transportation, the weightier CPI components, rose more slowly than at the national level. Housing costs rose 0.4%, food was up 0.8%, and transportation increased 0.5%. The 2% increase

public assistance-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)	number	October	12,052	-6.0	-11.9
INTRASTATE INITIAL CLAIMS	number	October	6,393	-9.1	20.9
INTERSTATE INITIAL CLAIMS	number	October	317	-20.6	32.4
UNEMPLOYMENT INSURANCE BENEFITS	thous \$	October	5,737	3.3	-7.1
PUBLIC ASSISTANCE					
RECIPIENTS:					
Income Maintenance	no. persons	October	69,604p	-4.0	-3.0
Services	no. cases	3rd Qtr 1981	9,567	-23.5	-28.2
Medical	no. patients	October	56,525	-1.6	-1.6
Food Stamps	no. persons	October	101,929	-3.1	-4.5
PAYMENTS:					
Income Maintenance	thous \$	October	9,435p	-3.1	2.8
Services	thous \$	3rd Qtr 1981	4,680	-15.8	7.4
Medical	thous \$	October	13,084	17.7	12.4
Food Stamps	thous \$	October	5,844	-3.5	11.6

*Count of recipients is duplicated. 1 person may be counted in each category.

population, personal income-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
POPULATION					
RE FACTS—STATE	number	July 1, 1980	1,056,500p		0.4
TOTAL RESIDENT—STATE	number	July 1, 1981	989,000p		2.0
C & C of Honolulu	number	July 1, 1981	779,100p		1.7
Maui County	number	July 1, 1981	74,100p		3.5
Hawaii County	number	July 1, 1981	35,600p		3.0
Kauai County	number	July 1, 1981	40,200p		2.3
CIVILIAN RESIDENT—STATE	number	July 1, 1980	912,000p		2.2
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019		5.4*
Active	number	April 1, 1980	48,813		8.7*
Alone	number	April 1, 1980	12,206		5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023		-0.8*
FOREIGN IMMIGRATION	number	12 mo. total for period ending 11-81	6,496		12.3
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil \$	2nd Qtr 1981	10,221	1.6	11.9
Employment income	mil \$	2nd Qtr 1981	7,774	1.0	10.2
Manufacturing	mil \$	2nd Qtr 1981	456	1.3	15.7
Construction & Mining	mil \$	2nd Qtr 1981	637	2.3	17.5
Wholesale	mil \$	2nd Qtr 1981	333	0.3	2.5
Retail	mil \$	2nd Qtr 1981	910	0.8	8.1
Finance, Ins. & Real Estate	mil \$	2nd Qtr 1981	664	3.3	21.2
Trans. Comm. & Util.	mil \$	2nd Qtr 1981	760	1.9	10.8
Services	mil \$	2nd Qtr 1981	1,539	1.5	5.2
Govt. & Other	mil \$	2nd Qtr 1981	258	4.0	4.5
Transfer Payments	mil \$	2nd Qtr 1981	679	1.8	15.9
Federal Military	mil \$	2nd Qtr 1981	704	2.5	12.3
State & Local	mil \$	2nd Qtr 1981	833	-0.7	4.5
Property Income	mil \$	2nd Qtr 1981	1,570	4.2	16.1
Dividends, Interest, Rent	mil \$	2nd Qtr 1981	1,570	4.2	16.1
Transfer Payments (1) (2) (3) (4)	mil \$	2nd Qtr 1981	878	3.2	20.9
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	10,101		10.6
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573		9.5
Maui County	dollars	1979	8,399		10.3
Hawaii County	dollars	1979	7,760		8.7
Kauai County	dollars	1979	7,762		8.6

0=estimated

p=preliminary

1=record

*Compared to July 1, 1979.

**Total personal income and all components are seasonally adjusted at annual rates.

(1) These immigration statistics include only those entering Honolulu ports and do not include status changes.

(2) Includes wage and salary disbursements, proprietors' income, and other labor income.

u. s. economic indicators

series	unit	period	number	percent change	
				from preceding period	year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF LEADING INDICATORS*	1967=100	October	128.1	-1.8	-5.1
GROSS NATIONAL PRODUCT**	tril \$	3rd Qtr 1981	2,956.6	2.5	12.1
in Current Dollars	tril \$	3rd Qtr 1981	1,512.8	0.2	2.8
in 1972 Dollars	tril \$	October	2,476.7p	0.6	10.8
PERSONAL INCOME**	mil \$	October	87,179p	-1.5	6.9
RETAIL SALES*	mil \$	October	149.5p	-0.6	2.6
INDUSTRIAL PRODUCTION*	1967=100	October			
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil \$	September	48,093.8	0.5	22.8
TURNOVER OF DEMAND DEPOSITS**	annual rate	September	191.6	0.9	41.6
BANK LOANS*	bil \$	October	963.0	0.7	10.7
AVERAGE PRIME RATE	percent	November	16.84	-8.7	4.9
CONSUMER INSTALLMENT DEBT*	mil \$	September	3,568.6	0.9	7.4
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil \$	September	231.6	-0.4	3.1
CONSTRUCTION COST INDEXES					
Residences	1967=100	July	299.5	3.0*	10.6
Apts. Hotel Office Bldgs	1967=100	July	301.9	3.3*	10.6
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous	October	98,217	0	1.0
UNEMPLOYMENT*	thous	October	8,520	7.0	7.0
UNEMPLOYMENT RATE*	percent	October	8.0	6.7	5.3
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	October	279.7	0.2	10.1
All Urban Consumers	1967=100	October	279.9	0.2	10.2
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	October	273.8	0.6	7.4
All Commodities	1967=100	October	296.0	0.2	6.6

p=preliminary

*Compared to May, 1981.

**Seasonally adjusted.

**Seasonally adjusted annual rate.

in medical care costs just about matched the average increase nationally, but costs for clothing, up 3.1%, entertainment up 4.1%, and other goods and services, up 4.7%, rose more rapidly than at the national level.

Government Contracts

Government contracts hit a record \$110 million in November, the first time that government contracts in Hawaii have even come close to the \$100 million mark. The record month resulted from \$86 million in contracts for the modernization of Tripler Army Hospital.

The previous March was a big month too with \$73.6 million in contracts awarded, close to the record at that time of \$74.3 million set in March 1976. Contracts of \$28 million for the new State Judiciary Complex at Punchbowl and Halekauwila streets and \$29 million for the H-1 interchange at Puuloa were responsible for the March bulge.

Another big month

Economic Indicators

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A Monthly Report by the Research Division

Dr. Thomas K. Hitch, Senior Vice President Shurei Hirozawa, Vice President

January, 1982

Burning Up a Million Dollars a Week

A standard question years ago was: What would you do if you had a million dollars? Today's version of that question is: What would the residents of Oahu do if they had an extra million dollars income per week, or \$52 million per year? Among other things,

- a) they could keep the entire state sugar industry alive, because that is about what the industry will go in the red this year,
- b) they could triple the size of the police department by adding 3,500 more policemen,
- c) they could buy 26,000 more solar water heaters every year,
- d) they could fill their gas tanks 3 million times, or buy an additional 63,000,000 quarts of milk per annum,
- e) they could buy over a million airline tickets each year to one of the Neighbor Islands at today's bargain rates,
- f) they could ship the money off annually to one of the rich OPEC countries.

There are hundreds of other alternative ways to spend that amount of money, but surely the absolute worst is the last one—shipping it off to one of the rich OPEC countries. Yet that is in effect what several groups in Hawaii want us to do. If Hawaii were so incredibly prosperous that money meant nothing to us, that would be one thing, but with most of Hawaii's families struggling to make ends meet in these days of inflation/recession, it makes no sense at all.

What we are talking about, of course, is whether the Kahe electric generating plant of Hawaiian Electric Co. should burn cheap oil that has two percent of sulfur in it, or whether it should burn very expensive oil with less sulfur (costing about \$1 million dollars **more** per week). The argument for burning the cheaper oil is of course that it will save the residents of Oahu about \$1 million a week in electric bills. The argument for burning the more expensive oil is that there will be less pollution in the air.

The pollution argument would make sense if the geography and wind conditions on Oahu were similar to Los Angeles which, with hills surrounding it on three sides, with a secondary inversion layer putting an umbrella over the city, and with most winds being from the ocean instead of out to sea, the pollutants in the air accumulate and create that terrible, eye-burning, lung-contaminating chemical mixture called smog.

But Oahu's geography and wind conditions are totally different. From 70 percent to 90 percent of the year trade winds blow in from the northeast and immediately carry all the exhaust from Kahe's leeward stacks out to sea in the direction of Johnston Island, the first bit of land to the southwest of Oahu and 820 miles away. Of course the stack emission never reaches Johnston Island because it drifts

down into the ocean where its chemical content is absorbed with no adverse effect on the quality of the seawater or on its inhabitants.

When in the fall of 1980 the Federal Environmental Protection Agency banned the use of 2 percent sulfur oil at Kahe and mandated the use of ½ percent sulfur oil, it was doing so without adequate consideration of the geography and the wind conditions on Oahu—which is 5,000 miles from Washington in distance and a million miles away in understanding of local conditions. Since the natural tendency in Washington is to apply all federal regulations uniformly throughout the entire country, it has always been a problem for island areas like Hawaii and Guam to avoid the application of laws and regulations that make no sense for those areas—like getting Hawaii exempted from the requirement that new power plants have to burn coal, or getting Hawaii exempted from the VA and FHA prohibition on making mortgage loans for homes on leased land, or getting Hawaii with its different ethnic composition exempted from the Mainland definition of minority groups, etc., etc. Referring specifically to the issue of air pollution, the Senate Committee on Energy and Natural Resources a couple of years ago said: "The Clean Air Act is a prime example of legislation which offers virtually no benefit to small islands located in the Trades, but which places severe demands on the local economies in achieving compliance."

In the case of the Kahe plant, the Environmental Protection Agency clamped a requirement on Hawaiian Electric Co. that it convert its Kahe plant from 2 percent sulfur oil to ½ percent sulfur oil in the fall of 1980—at a cost of some \$50 million to \$60 million a year to Oahu consumers. After a year of discussion the EPA admitted in the fall of 1981 that this requirement might not be necessary because of the geographic and wind conditions at Kahe, and agreed to lift the requirement subject to a careful monitoring of emission-impact over the next two years. Should this monitoring show that the burning of 2 percent sulfur oil is in any way a violation of the federal pure air standards, the plant will either have to go back to low sulfur oil or install seawater scrubbers at the plant to reduce the sulfur level.

That seems to us to be fair enough protection particularly in light of the fact that the Kahe plant burned high-sulfur oil for 17 years prior to the fall of 1980 with apparently no deleterious effects on anybody or anything, even though its stacks at that time were much lower than they are now. We hope for the sake of the economy of Oahu and its 230,200 households that the EPA order lifting the requirement will be finally issued after a public hearing that is scheduled for February 11, 1982 in the State Capitol Auditorium at 9:30 a.m.



First Hawaiian Bank

Established 1858 • Member of F.D.I.C.

business activity-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	November	292,280	-2.5	-2.6
	number	Jan.-Nov.	3,569,167	.....	-0.3
Westbound	number	November	220,200	-4.4	-2.6
	number	Jan.-Nov.	2,711,319	.....	-2.4
Eastbound	number	November	72,080	3.8	-2.3
	number	Jan.-Nov.	857,848	.....	6.8
AVERAGE DAILY VISITOR CENSUS	number	November	75,366	2.0	0.3
AVERAGE LENGTH OF STAY	no. of days	November	10.3	4.0	3.0
MEETINGS ATTENDANCE	number	November	14,031	-17.6	-34.6
ORGANIZED GROUP TOURS	number	November	51,422	-11.7	0.6
NEIGHBOR ISLAND VISITORS					
Maui	number	November	101,051	-4.5	-1.9
	number	Jan.-Nov.	1,234,023	.....	-2.7
Hawaii	number	November	50,936	-1.9	-1.4
	number	Jan.-Nov.	592,216	.....	-15.7
Kauai	number	November	55,778	-7.5	3.5
	number	Jan.-Nov.	673,666	.....	-6.6
VISITOR PLANT INVENTORY					
STATE	number	October	57,239	1.3	2.8
Oahu	number	October	33,480	-0.3	-2.1
Waikiki	number	October	28,986	-0.4	-4.3
Maui (includes Lanai and Lanai)	number	October	10,782	0.7	8.2
Molokai	number	October	537	-0.4	-3.8
Hawaii	number	October	7,219	5.2	14.6
Kauai	number	October	5,221	8.1	10.9
HOTEL OCCUPANCY					
STATE	percent	November	63.2	-5.3	-5.7
Oahu	percent	November	68.9	-1.3	-3.6
Maui	percent	November	66.8	-11.5	-3.3
Hawaii	percent	November	44.5	-3.7	-10.1
Kauai	percent	November	51.7	-18.1	-14.5
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. \$	3rd Qtr. 1981	377.0	10.2	10.0
Military Payroll	mil. \$	3rd Qtr. 1981	155.0	5.0	17.6
Civilian Payroll	mil. \$	3rd Qtr. 1981	122.1	15.0	7.4
Goods Purchases	mil. \$	3rd Qtr. 1981	103.6	13.1	2.7
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-Dec.	1,048	.....	2.4
N.Y. RAW SUGAR PRICE	\$/ton	December	342.74	4.9	-43.6
PINEAPPLE SHIPMENTS					
CANNED	thous. \$	Jan.-Oct.	154.4	.....	-6.3
FRESH	thous. lbs	Jan.-Nov.	212,632	.....	14.2
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	October	259.1	1.0 ³	11.0
All Urban Consumers (All Items)	1967=100	October	259.3	1.1 ³	10.5
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	November	548.8	-5.5	-1.8
GAS SALES	thous. therms	November	3,989	7.8	-3.3
TELEPHONES IN SERVICE	thous.	November	726	0.2	2.3

p=preliminary.
¹Estimated Westbound.
²Gross taxable income valued at time of shipment.
³Compared to August, 1981.

Hotel Occupancy

With this issue we are switching over from carrying a mixture of occupancy figures—some prepared by the Hawaii Visitors Bureau (HVB) and some prepared by Pannell Kerr Forster—to entirely Pannell Kerr Forster (PKF) figures. The HVB has discontinued its occupancy rate survey due to declining participation involving some of Hawaii's major hotel operators. The HVB occupancies we carried were for the Neighbor Islands. PKF occupancies for the Neighbor Islands generally run higher for Kauai and Maui than HVB's and lower for the Big Island. Survey techniques differed. For one thing, HVB attempted to survey all properties whereas PKF conducts a sample survey. For another thing, condominium occupancies were given more weight in the HVB survey. The latest Visitor Plant Inventory shows that 24.8% of the total

business activity-hawaii [cont.]

series	unit	period	number	percent change	
				from preceding period	year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. \$	October	133.4	-8.0	22.4
	mil. \$	Jan.-Oct.	1,365.4	.....	3.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. \$	Jan.-Sept.	404,623	.....	-22.6
C&C of Honolulu	thous. \$	Jan.-Nov.	220,015	.....	-19.1
Maui County	thous. \$	Jan.-Sept.	100,605	.....	-43.1
Hawaii County	thous. \$	Jan.-Nov.	70,723	.....	-32.0
Kauai County	thous. \$	Jan.-Dec.	41,368	.....	-44.7
SINGLE FAMILY UNITS					
STATE	number	Jan.-Sept.	1,998	.....	-33.2
C&C of Honolulu	number	Jan.-Nov.	659	.....	-53.0
Maui County	number	Jan.-Sept.	328	.....	-50.3
Hawaii County	number	Jan.-Nov.	968	.....	-11.1
Kauai County	number	Jan.-Dec.	353	.....	-6.4
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Sept.	3,225	.....	-32.1
C&C of Honolulu	number	Jan.-Nov.	1,902	.....	-30.6
Maui County	number	Jan.-Sept.	1,007	.....	-33.0
Hawaii County	number	Jan.-Nov.	293	.....	-60.4
Kauai County	number	Jan.-Dec.	120	.....	-84.9
NONRESIDENTIAL					
STATE	thous. \$	Jan.-Sept.	261,958	.....	-6.6
C&C of Honolulu	thous. \$	Jan.-Nov.	210,378	.....	-9.4
Maui County	thous. \$	Jan.-Sept.	23,418	.....	-32.0
Hawaii County	thous. \$	Jan.-Nov.	61,979	.....	76.2
Kauai County	thous. \$	Jan.-Dec.	25,943	.....	-55.5
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. \$	Jan.-Dec.	429,160	.....	75.6
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. \$	Jan.-Dec.	178,255	.....	173.7
STATE	thous. \$	Jan.-Dec.	179,779	.....	38.3
COUNTY	thous. \$	Jan.-Dec.	71,126	.....	44.3
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. \$	Jan.-Dec.	349,846	.....	102.1
Maui County	thous. \$	Jan.-Dec.	12,887	.....	-28.0
Hawaii County	thous. \$	Jan.-Dec.	48,343	.....	13.6
Kauai County	thous. \$	Jan.-Dec.	18,083	.....	65.3
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967 = 100	December	296.3	-1.2	2.9
HIGH RISE	1967 = 100	December	318.8	-0.6	6.9
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. \$	October	1,760.4	5.2	22.5
	mil. \$	Jan.-Oct.	17,975.1	.....	12.8
DIVERSIFIED MANUFACTURING	mil. \$	October	43.4	-13.4	5.0
	mil. \$	Jan.-Oct.	534.8	.....	1.3
DIVERSIFIED AGRICULTURE	mil. \$	October	13.8	-14.2	-16.6
	mil. \$	Jan.-Oct.	148.4	.....	26.4
RETAILING	mil. \$	October	584.2	3.9	19.6
	mil. \$	Jan.-Oct.	6,105.7	.....	14.6
WHOLESALE	mil. \$	October	508.2	22.4	35.4
	mil. \$	Jan.-Oct.	5,032.4	.....	27.8
SERVICES	mil. \$	October	304.5	-15.1	17.4
	mil. \$	Jan.-Oct.	3,425.3	.....	7.2
DAHU NEW CAR AND PASSENGER TRUCK SALES	number	October	1,945	-11.1	-22.4

state inventory last October of 57,239 units were condominiums. However, in PKF's November 1981 survey, condominiums accounted for only 13.2% of the units surveyed. Condominiums generally run lower average occupancies—PKF reported 59.6% in November versus 63.7% for hotel properties—which helps to explain why PKF occupancy rates tended to be higher for Maui and Kauai than did HVB's since these two islands have the highest concentrations of condominium rentals. On Maui condos represented 46.6% of the available inventory last year. For Kauai it was 35.1%. The figures for Oahu—17.1%—and the Big Island—20.3%—were much lower. We don't mean to imply that the PKF survey is inadequate. Quite the contrary, in November the survey encompassed 91 properties and 27,073 units, 47% of the state's inventory of visitor units.

finance - hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
BANKING					
TOTAL BANK DEPOSITS	mil. \$	November 30	4,722.1	1.7	12.9
Honolulu County	mil. \$	November 30	3,918.5	1.5	14.8
Mau County	mil. \$	November 30	286.0	0.9	6.3
Maui County	mil. \$	November 30	346.3	1.1	-0.5
Kauai County	mil. \$	November 30	171.4	1.8	12.8
BANK DEMAND DEPOSITS	mil. \$	November 30	1,102.8	7.0	-8.2
Honolulu County	mil. \$	November 30	930.9	6.0	-7.4
Mau County	mil. \$	November 30	66.9	15.0	-13.8
Maui County	mil. \$	November 30	74.2	13.4	-14.1
Kauai County	mil. \$	November 30	30.8	6.3	-3.4
DEBITS TO BANKING	mil. \$	November	6,777.5	15.8	8.7
Honolulu County	mil. \$	November	6,259.2	16.2	10.1
Mau County	mil. \$	November	211.6	-10.6	-12.8
Maui County	mil. \$	November	224.5	-8.9	-0.5
Kauai County	mil. \$	November	82.2	-11.8	-1.5
TURNOVER OF DEPOSITS	annual rate	November	76.25	-17.8	23.9
Honolulu County	annual rate	November	83.05	-17.8	24.0
Mau County	annual rate	November	40.59	15.3	12.4
Maui County	annual rate	November	38.61	-10.6	21.4
Kauai County	annual rate	November	32.99	-12.4	4.2
STATE TAX COLLECTIONS*					
Tax on Income	thous. \$	November	84,716	-1.4	17.3
Honolulu County	thous. \$	Jan. Nov.	1,203,228		6.3
Maui County	thous. \$	November	84,679	0.2	19.9
Maui County	thous. \$	Jan. Nov.	1,049,250		6.6
Maui County	thous. \$	November	3,818	-12.2	-10.0
Maui County	thous. \$	Jan. Nov.	99,876		3.0
Maui County	thous. \$	November	4,358	6.6	1.1
Maui County	thous. \$	Jan. Nov.	65,621		5.2
Maui County	thous. \$	November	1,861	-28.1	17.3
Maui County	thous. \$	Jan. Nov.	28,481		3.4

*Excludes death duty which was formerly collected by the State but is now collected by the County.

*Excludes property taxes which were formerly collected by the State but are now collected by the counties.

employment and unemployment - hawaii

series	unit	period	number	percent change	
EMPLOYMENT IN STATE AND COUNTIES (number of persons)				from preceding period	year ago
STATE					
Employment	thous.	November	414.0p	1.2	3.5
Nonfarm	thous.	November	392.0p	1.4	3.2
Farm	thous.	November	21.9p	3.5	8.1
Nonfarm	percent	November	5.3p	5.4	3.9
MAUI COUNTY					
Employment	thous.	November	323.3p	1.2	3.2
Nonfarm	thous.	November	307.4p	1.4	3.1
Farm	thous.	November	15.9p	4.2	5.0
Nonfarm	percent	November	4.9p	5.8	2.1
MAUI COUNTY					
Employment	thous.	November	34.6p	0.6	3.4
Nonfarm	thous.	November	32.5p	0.9	3.3
Farm	thous.	November	2.1p	4.7	2.6
Nonfarm	percent	November	6.0p	4.8	1.7
HAWAII COUNTY					
Employment	thous.	November	37.1p	0.4	3.9
Nonfarm	thous.	November	34.3p	0.4	2.7
Farm	thous.	November	2.8p	1.8	19.1
Nonfarm	percent	November	7.6p	1.3	15.2
KAUAI COUNTY					
Employment	thous.	November	19.3p	3.0	8.2
Nonfarm	thous.	November	17.9p	2.9	6.5
Farm	thous.	November	1.2p	0	43.8
Nonfarm	percent	November	6.1	-1.6	32.6
JOB COUNT BY INDUSTRY					
GOVERNMENT					
GOVERNMENT	thous.	November	442.3p	0.7	0.3
GOVERNMENT	thous.	November	9.2p	0.4	3.4
GOVERNMENT	thous.	November	3.7p	10.4	15.9
MANUFACTURING					
MANUFACTURING	thous.	November	16.2p	0	1.2
MANUFACTURING	thous.	November	4.3p	1.2	2.2
MANUFACTURING	thous.	November	1.1p	0	0.8
MANUFACTURING	thous.	November	3.0p	1.7	1.7
RETAIL					
RETAIL	thous.	November	9.0p	1.1	2.9
RETAIL	thous.	November	21.6p	0.9	6.5
RETAIL	thous.	November	21.0p	-1.2	2.1
RETAIL	thous.	November	7.3p	0	1.4
RETAIL	thous.	November	2.6p	1.9	1.9
RETAIL	thous.	November	87.0p	0.7	0.4
RETAIL	thous.	November	18.4p	0	0
HOTEL					
HOTEL	thous.	November	32.2p	0.5	0.6
HOTEL	thous.	November	25.0p	2.0	0
HOTEL	thous.	November	14.5p	2.8	3.7
HOTEL	thous.	November	5.3p	1.0	1.9
HOTEL	thous.	November	3.0p	0	1.7
HOTEL	thous.	November	2.2p	0	19.4
HOTEL	thous.	November	75.0p	0.1	1.6
FINANCE					
FINANCE	thous.	November	30.9p	0.3	3.3
FINANCE	thous.	November	11.9p	-0.5	1.8
FINANCE	thous.	November	20.0p	1.0	6.4
FINANCE	thous.	November	46.7p	4.7	0.1
FINANCE	thous.	November	12.4p	-0.4	5.0
HOURS AND EARNINGS BY INDUSTRY					
GOVERNMENT					
GOVERNMENT	dollars	November	13,93p	1.3	12.3
GOVERNMENT	hours	November	32.8p	2.5	0.3
MANUFACTURING					
MANUFACTURING	dollars	November	7.73p	-0.9	8.4
MANUFACTURING	hours	November	38.7p	-1.5	0.3
COMMUNICATION					
COMMUNICATION	dollars	November	10.38p	1.2	5.9
COMMUNICATION	hours	November	43.6p	1.2	-3.1
TRADE					
TRADE	dollars	November	6.19p	1.0	8.8
TRADE	hours	November	32.5p	-1.8	-1.8
FINANCE					
FINANCE	dollars	November	231.26p	9.1	16.1
HOTELS					
HOTELS	dollars	November	6.01p	0	7.9
HOTELS	hours	November	32.8p	-0.3	7.9
HIRED FARM WORKERS					
HIRED FARM WORKERS	dollars	November	n.a.	na	na
HIRED FARM WORKERS	hours	November	n.a.	na	na

p=preliminary
*The hours and earnings for hotel farm workers is based on a survey taken once every January, April, July, and October.

Job Picture

While there were 1,400 fewer jobs reported by Hawaii employers last November than one year earlier, amazingly employment rose by 12,200. We're at a loss to explain that one except to say that the employment count is prepared according to very explicit procedures mandated by the federal government. We have much more faith in the jobs figures.

Suffering the brunt of the job loss was construction where 1,500 fewer jobs were recorded than in November 1980. With reduced demand for construction materials, jobs were also lost in lumber and wood manufacturing and in the manufacture of stone, glass and clay products - down a total of 200. Other big losers were transportation with 400 fewer jobs, retailing down 300, the finance, insurance, and real estate sector down 200, and county government down 700. Pineapple was also down 700 due to seasonal job losses. The impact of these job losses together with smaller losses recorded in other areas would have been greater had it not been for hefty gains in two areas: 1) an increase of 1,200 jobs in the federal defense sector as the government strives to improve U.S. military preparedness, and 2) an increase of 1,200 in other services with gains in medical and miscellaneous business services.

Editor's Comment

When you read the above comments on hotel occupancy and on employment and jobs figures, you realize that most economic statistics are frequently misleading unless you know how they are collected and processed and therefore what they really (in contrast to apparently) mean. That's why we give you these marginal notations on the statistics reproduced in this publication.

Public Assistance

Welfare benefits have dropped substantially since October 1, a result of federal budget trimming efforts which weighed heavily in the area of social programs.

public assistance - hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
UNEMPLOYMENT INSURANCE CLAIMS	number	November	13,819	14.7	17.3
UNEMPLOYMENT INSURANCE PAYMENTS	number	November	8,309	-17.0	24.7
UNEMPLOYMENT INSURANCE BENEFITS	thous. \$	November	6,222	8.5	-11.8
PUBLIC ASSISTANCE					
Medicaid	no. persons	November	68,919p	1.0	-2.9
Medicaid	no. cases	3rd Qtr. 1981	9,567	23.5	-28.2
Medicaid	no. patients	November	48,463	-14.3	-1.0
Medicaid	no. patients	November	100,666	1.7	1.9
Medicaid	thous. \$	November	9,370p	-0.7	0.1
Medicaid	thous. \$	3rd Qtr. 1981	4,680	-15.8	7.4
Medicaid	thous. \$	November	10,932	16.4	15.1
Medicaid	thous. \$	November	5,634	-3.6	14.6

p = preliminary.

¹Count of recipients is duplicated. A person may be counted in each category.

p=preliminary
*Count of responses is duplicated. A person may be counted in each category.

population, personal income - hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
POPULATION					
U.S. WHITE STATE	number	July 1, 1980	1,056,500p		0.4
TOTAL RESIDENT - STATE	number	July 1, 1981	989,000p		2.0
U.S. WHITE STATE	number	July 1, 1981	779,100p		1.7
Major County	number	July 1, 1981	74,100p		3.5
Major County	number	July 1, 1981	95,600p		3.0
Major County	number	July 1, 1981	40,200p		2.3
U.S. WHITE STATE	number	July 1, 1980	912,000p		2.2
Major County	number	July 1, 1981	61,521		0.8
Major County	number	July 1, 1981	46,255		5.2
Major County	number	July 1, 1981	15,266		25.1
U.S. WHITE STATE	number	July 1, 1981	64,344		0.5
Major County	number	12 mo. total for period ending 12-81	6,570		9.6
PERSONAL INCOME					
U.S. WHITE STATE	mil. \$	2nd Qtr. 1981	10,221	1.6	11.9
Major County	mil. \$	2nd Qtr. 1981	7,774	1.0	10.2
Major County	mil. \$	2nd Qtr. 1981	456	-1.3	15.7
Major County	mil. \$	2nd Qtr. 1981	637	-2.3	17.5
Major County	mil. \$	2nd Qtr. 1981	333	-0.3	2.5
Major County	mil. \$	2nd Qtr. 1981	910	0.8	8.1
Major County	mil. \$	2nd Qtr. 1981	664	3.3	21.2
Major County	mil. \$	2nd Qtr. 1981	760	1.9	10.8
Major County	mil. \$	2nd Qtr. 1981	1,539	1.5	5.2
Major County	mil. \$	2nd Qtr. 1981	258	4.0	4.5
Major County	mil. \$	2nd Qtr. 1981	679	1.8	15.9
Major County	mil. \$	2nd Qtr. 1981	704	2.5	12.3
Major County	mil. \$	2nd Qtr. 1981	833	-0.7	4.5
Major County	mil. \$	2nd Qtr. 1981	1,570	4.2	16.1
Major County	mil. \$	2nd Qtr. 1981	878	3.2	20.9
PER CAPITA PERSONAL INCOME					
U.S. WHITE STATE	dollars	1980	10,101		10.6
Major County	dollars	1979	9,573		9.5
Major County	dollars	1979	8,399		10.3
Major County	dollars	1979	7,760		8.7
Major County	dollars	1979	7,762		8.6

Estimated
p=preliminary
*Total personal income and all components are seasonally adjusted at annual rates.
*These immigration statistics include only those entering Honolulu port and do not include state changes.
*Includes wage and salary disbursements, proprietors' income, and other labor income.

u. s. economic indicators

series	unit	period	number	percent change	
GENERAL BUSINESS INDICATORS				from preceding period	year ago
CONSUMER INDEX (1)	1967=100	November	127.8p	-0.3	-6.4
LEADING INDICATORS					
GRAND NATIONAL PRODUCT**					
- in Current Dollars	tril. \$	3rd Qtr. 1981	2,965.0	2.7	12.4
- in 1982 Dollars	tril. \$	3rd Qtr. 1981	1,515.8	0.4	3.0
PERSONAL INCOME**	tril. \$	November	2,488.9	0.6	10.2
RETAIL SALES*	mil. \$	November	87,465	0.8	5.7
INDUSTRIAL PRODUCTION**	1967=100	November	146.5	-2.1	-1.8
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	tril. \$	October	48,561.5	1.0	23.5
TURNOVER OF DEMAND DEPOSITS**	annual rate	October	193.6	1.0	43.2
BANK LOANS**	bil. \$	November	1,330.4	0.3	8.7
AVERAGE PRIME RATE	percent	December	15.75	-6.5	-22.6
CHARGED BY BANKS	mil. \$	October	326,700	0.3	7.5
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil. \$	October	230.8	-1.7	0.8
CONSTRUCTION COST INDEXES					
Residential	1967=100	September	304.0	1.5 ¹	10.4
Appts., Hotel, Office Bldgs.	1967=100	September	307.1	1.7 ¹	9.7
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	November	98,025	-0.2	0.7
UNEMPLOYMENT*	thous.	November	9,004	5.7	13.3
UNEMPLOYMENT RATE*	percent	November	8.4	5.0	12.0
PRICES					
CONSUMER PRICE INDEX (All items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	November	280.4	0.3	9.4
All Urban Consumers	1967=100	November	280.7	0.3	9.6
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	November	275.2	0.5	7.1
All Commodities	1967=100	November	295.5	-0.2	5.9

p=preliminary
*Compared to July, 1981.
*Seasonally adjusted.
**Seasonally adjusted annual rate.

The biggest cutbacks were in Aid to Families with Dependent Children (AFDC), the federal food stamp program, and in Medicaid. New methods of computing AFDC eligibility based on gross income rather than net income along with other rules changes disqualified some 1,300 cases formerly eligible for AFDC and reduced benefits to 4,000 to 6,000 others. The net effect on our income maintenance series was a drop of 3,300 recipients and a drop of over \$1 million in payments during the final quarter of last year.

With respect to the federal food stamp program, some 800 Hawaii families were dropped and benefits to 6,100 others were cut. The recipient count shown in the Economic Indicators in November was 4,500 below what it had been two months earlier and \$630,000 less in coupon distributions were made in October and November than in the two immediately preceding months. The rules changes included determining eligibility on the basis of gross rather than net income, barring strikers from benefits, issuing stamps from the day of application rather than for the whole month, eliminating boarders from eligibility, and using all income in a household to determine eligibility.

While Medicaid was not spared the budget axe, the effect of the cutbacks on the numbers hasn't shown up yet due to the lapse in time between the rendering of a service and when the claim is finally paid. Physicians are given six months to file.

In the area of services, a big reduction occurred prior to the implementation of federal budget cuts, in the final quarter of the state government's fiscal year. What happened was the money simply ran out. A lot of programs had to be dumped. Hardest hit were POS or purchase order services which DSSH purchases from outside organizations (e.g. private day care services for children of working mothers) rather than services provided internally by the department itself.



First Hawaiian Bank

Established 1858
Member FDIC

Economic Indicators

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A Monthly Report by the Research Division

Dr. Thomas K. Hitch, Senior Vice President Shurei Hirozawa, Vice President

February, 1982

Construction Outlook for 1982

Construction held up surprisingly well in Hawaii in 1981, considering that it was in a state of collapse in most other parts of the country. Building activity was not far off from the 1980 pace, with numerous projects in downtown Honolulu giving the appearance of a boom. But construction is a lagging activity, and even after the economy turns downward it takes time for all the projects in the pipeline to be completed. That was the situation in Hawaii last year. Unseen amid all this flurry of activity was the scarcity of new projects entering the pipeline. This means that there won't be sufficient projects to maintain the building pace of the past few years in 1982, and Hawaii can expect a more dramatic construction decline this year.

This decline will complete the second construction cycle in the past decade. Construction began to grow in volume in the early 1970s, peaking out in 1975 after interest rates climbed into double-digit territory during the long recession of 1974-75. Volume began to increase again in 1978, but so did interest rates which went double-digit in the fall of that year. The prime rate has not only stayed above 10 percent ever since, but has not receded below 15 percent for the past 15 months, slowly strangling construction.

The value of construction put in place for 1981 should finish slightly above that for 1980, having reached \$1.5 billion in the first 11 months. This was \$45 million more than in the same period of 1980 or up 3 percent. But after adjustment for inflation, the real 1981 value was down 3 percent. So in real terms, construction peaked in 1980, started on a downward curve in 1981, and will continue to decline for most if not all of 1982.

Construction employment confirmed this downtrend last year. The number employed in the industry peaked in February 1980 at 25,350, and has declined since then to 21,100 in December. This is approaching the low levels reached in 1976-1978, during the depths of the last construction downturn.

Pointing to the construction decline in 1982 was the shrinkage in private building permits issued last year. There was a tremendous surge in building permits beginning in 1978 for both residential and nonresidential projects, but both peaked in 1980. With 1981 came successive months of decline, signalling the downturn in building activity that we see for 1982. And based on the lower-than-normal volume of work reported at many architectural firms, it would appear that the construction industry is in for a prolonged period of diminished activity.

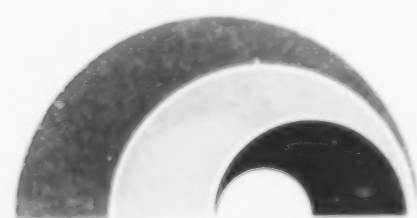
Public contracts awarded last year rose substantially but

could not counter the drop in private permits. Overall, the value of private permits issued and public contracts awarded was down 14 percent in 1981 (comparisons exclude Maui for November and December of both years), with private permits down 32 percent and public contracts awarded up 76 percent.

The residential portion of private permits suffered the most severely last year with authorizations totaling \$457 million, down \$247 million or 35 percent from 1980. The number of single-family units authorized was down 37 percent, and multi-family units were down 47 percent. The biggest decline in multi-family unit authorizations occurred on Kauai. Kauai has seen multi-family authorizations drop from 1,169 units in 1979 to 793 units in 1980, and 120 units in 1981. The nonresidential sector, which is made up of hotels, office buildings, shopping centers, warehouses and the like, was down 28 percent statewide for 1981 to \$342 million.

Public works contracts awarded in 1981 totaled \$429 million for a gain of \$185 million and 76 percent over 1980. The biggest gain was in federal contracts which amounted to \$178 million compared to \$65 million in 1980. The main reason for this big jump was the awarding of the \$85 million Tripler Army Hospital contract last year. State contracts awarded last year showed a gain of 38 percent to \$180 million, and contracts let by the four counties rose 44 percent to \$71 million. The federal sector should again lead in contracts awarded in 1982. Increasing expenditures for the armed forces will inevitably benefit the defense establishment in Hawaii. In addition, the contract for the Barbers Point deep draft harbor will be awarded in 1982. State projects could come to a halt if the Legislature fails to increase the interest rate the State is permitted to pay on bonds for financing construction.

One good thing to come out of the national depression in the industry last year was a sharp moderation in materials prices, and this stability is expected to continue this year due to slack building activity and the decline in inflation generally. The Honolulu construction cost index for materials used in high-rise construction rose a mere 1.5 percent in 1981 compared to an average annual increase of 9.5 percent in the 1970-80 decade. For single-family construction, materials prices actually declined 3.6 percent, the first drop since we started this index in 1965. The average annual increase in the past decade was 8.9 percent. However, labor costs rose 9.8 percent in 1981, the biggest increase in four years.



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business activity-hawaii

business activity-hawaii [cont.]

series	unit	period	number	percent change	
				from preceding period	year ago
TOURISM					
total	number	December	343,911	15.9	-2.6
	number	Jan.-Dec.	3,934,623		0.0
foreign	number	December	255,835	15.8	-4.4
	number	Jan.-Dec.	2,974,791		-2.3
domestic	number	December	88,076	15.9	3.0
	number	Jan.-Dec.	959,832		8.0
average length of stay	number	December	89,242	18.1	-1.6
	number	December	10.8	4.9	2.9
median stay	number	December	4,954	-64.7	-12.5
	number	December	49,747	-3.5	1.4
visitors	number	December	106,793	5.4	-3.2
	number	Jan.-Dec.	1,344,278		-2.5
overnight	number	December	54,466	6.6	-6.6
	number	Jan.-Dec.	648,382		-14.8
day	number	December	55,316	-1.1	-7.6
	number	Jan.-Dec.	730,963		-6.5
transients	number	October	57,239	1.3	2.8
	number	October	33,480	-0.3	-2.1
vacationers	number	October	28,986	-0.4	-4.3
	number	October	10,782	0.7	8.2
business	number	October	537	-0.4	-3.8
	number	October	7,219	5.2	14.6
	number	October	5,221	8.1	10.9
percent	percent	December	62.5	-1.1	1.1
	percent	December	71.4	3.6	3.9
	percent	December	59.2	-11.4	-0.8
	percent	December	37.9	-15.0	-5.5
	percent	December	50.6	-2.1	-6.3
DEFENSE EXPENDITURES					
	mil. \$	3rd Qtr. 1981	377.1	9.2r	10.0
	mil. \$	3rd Qtr. 1981	155.0	5.0	17.7r
	mil. \$	3rd Qtr. 1981	122.1	15.0	7.4
	mil. \$	3rd Qtr. 1981	100.1	9.2r	2.8r
SUGAR					
	thous. tons	Jan. 1-Jan. 30	15	20.5	
	\$ ton	January	363.62	6.1	-38.5
PINEAPPLE SHIPMENTS					
	thous. \$	Jan.-Nov. 81	165.0	-7.3	
	thous. lbs.	Jan.-Dec. 81	230,224	15.1	
HONOLULU PRICES					
		1967=100	December	0.13	9.4
		1967=100	December	-0.43	9.4
PUBLIC UTILITIES					
	mil. KWH	December	565.8	3.1	-0.7
	thous. therms.	December	4,098	2.7	-1.3
	thous.	December	728	0.4	2.3

p=preliminary.

r=revised.

*Estimated Westbound.

**Gross taxable income valued at time of shipment.

3Compared to October, 1981.

Tourism

Revised statistics from the Hawaii Visitors Bureau transformed 1981 from a negative into a slightly positive visitor year. That's welcome news for an industry that only shortly before was reflecting back on its second consecutive year of decline. The revision added 27,092 more visitors and converted the 26,973 decline into an increase, though marginal, of 119. This is a .003% increase!

The weakness last year was in westbound travel where 71,341 or 2.3% fewer overnight and longer visitors were recorded. Higher air fares and a troubled economy combined to reduce travel from the Mainland U.S. by about 6%, and Canadian traffic dropped back 15% as devaluation of the Canadian dollar relative to the U.S. dollar made travel to the U.S. much more costly for Canadian residents.

series

unit

period

number

percent change

from preceding period

year ago

Eastbound travel increased

8% last year with travelers from Japan comprising the bulk of this component. The HVB estimate of Japanese visitors to Hawaii was 590,000 compared to 570,000 in 1980. That's an increase of 3.5%, a much smaller increase than average for most of the last decade. The deceleration in the Japanese market the past couple of years is largely a result of increased air fares.

But the real strength in Tourism last year stemmed from Hawaii's other foreign visitor markets, although HVB figures tell us little about these visitors since they are not formally surveyed. The non-Japanese portion of eastbound travel increased 16% last year. The most substantial increase numberwise was likely in visitors from Australia, a market roughly the same size as the Canadian market.

European and South Ameri-

CONSTRUCTION

PRIVATE PERMITS AUTHORIZED

PUBLIC CONTRACTS AWARDED

HONOLULU CONSTRUCTION COST INDEXES

BUSINESS SALES

PRIVATE PERMITS AUTHORIZED

PUBLIC CONTRACTS AWARDED

HONOLULU CONSTRUCTION COST INDEXES

BUSINESS SALES

PRIVATE PERMITS AUTHORIZED

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HONOLULU CONSTRUCTION COST INDEXES

BUSINESS SALES

PRIVATE PERMITS AUTHORIZED

PUBLIC CONTRACTS AWARDED

HONOLULU CONSTRUCTION COST INDEXES

BUSINESS SALES

finance - hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
BANKING					
Assets	\$	December 31	4,919.6	4.2	12.1
Liabilities	\$	December 31	4,112.4	5.0	14.4
Capital	\$	December 31	290.5	1.6	4.9
Reserves	\$	December 31	348.2	0.6	3.1
Deposits	\$	December 31	1,68.4	1.7	7.9
Loans	\$	December 31	1,211.3	9.8	8.2
Investments	\$	December 31	1,034.1	11.1	6.8
Other assets	\$	December 31	70.4	5.4	14.7
Other liabilities	\$	December 31	77.6	3.8	17.1
Other income	\$	December 31	29.7	3.6	13.4
Operating income	\$	December	8,042.4	18.7	1.9
Net income	\$	December	7,433.8	18.8	0.9
Dividends	\$	December	265.1	29.3	13.3
Retained earnings	\$	December	249.8	11.3	10.8
Capital	\$	December	83.8	14.1	13.4
Assets	\$	December	85.41	5.4	6.9
Liabilities	\$	December	90.79	9.3	6.6
Capital	\$	December	56.30	14.1	7.2
Reserves	\$	December	29.67	2.8	5.5
Deposits	\$	December	37.22	12.6	1.4
Loans	\$	December	102.180	1.8	4.7
Investments	\$	December	37,647.36	11.1	11.1
Other assets	\$	December	5,138.68	3.8	2.8
Other liabilities	\$	December	5,441	18.4	17.8
Operating income	\$	December	66,217.8	4.1	1.0
Net income	\$	December	1,196	19.3	18.0
Dividends	\$	December	81,814	3.6	3.6
Retained earnings	\$	December	2,116	96.2	4.1
Capital	\$	December	31,016	3.8	3.8

If included properties have been sold, some comments followed by the table that are not included in the figures.

employment and unemployment-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
Total	thous.	December	418.86p	1.2	4.3
State	thous.	December	398.71p	1.5	4.1
County	thous.	December	20.15p	-0.7	5.8
County	thous.	December	4.3p	3.5	2.1
County	thous.	December	326.86p	1.1	3.9
County	thous.	December	311.76p	1.5	3.8
County	thous.	December	14.96p	6.0	6.8
County	thous.	December	4.66p	6.1	2.2
County	thous.	December	8.10p	3.2	7.7
County	thous.	December	13.74p	4.7	9.5
County	thous.	December	1.76p	4.9	4.9
County	thous.	December	5.56p	4.2	11.3
County	thous.	December	37.0p	0.1	2.3
County	thous.	December	34.30p	0.3	1.2
County	thous.	December	2.72p	3.6	17.4
County	thous.	December	7.36p	3.9	15.9
County	thous.	December	19.36p	1.0	9.1
County	thous.	December	18.22p	1.4	8.0
County	thous.	December	1.12p	4.3	23.4
County	thous.	December	5.86p	4.9	20.8
JOB COUNT BY INDUSTRY					
Total	thous.	December	447.4p	0.9	0.0
State	thous.	December	430.0p	-2.4	0.6
County	thous.	December	17.4p	6.4	4.0
County	thous.	December	16.2p	0.3	-1.8
County	thous.	December	4.4p	2.3	3.4
County	thous.	December	12.0p	0.4	-1.2
County	thous.	December	1.8p	1.6	-1.4
County	thous.	December	9.0p	0	2.9
County	thous.	December	21.7p	5.9	8.7
County	thous.	December	21.4p	10	5.8
County	thous.	December	1.3p	6	5.4
County	thous.	December	1.0p	1.9	1.9
County	thous.	December	86.8p	2.1	9.2
County	thous.	December	58.4p	0	-5.7
County	thous.	December	32.2p	0.6	0.8
County	thous.	December	29.8p	3.2	3.2
County	thous.	December	14.7p	1.0	3.0
County	thous.	December	8.0p	12.3	16.5
County	thous.	December	4.0p	8.7	8.7
County	thous.	December	2.2p	0	19.4
County	thous.	December	76.6p	0.6	3.3
County	thous.	December	81.2p	0.8	4.0
County	thous.	December	11.1p	1.8	3.4
County	thous.	December	20.1p	0.8	6.9
County	thous.	December	47.0p	1.2	8.0
County	thous.	December	12.4p	0.4	6.1
HOURS AND EARNINGS BY INDUSTRY					
Total	thous.	December	18.72p	1.6	10.7
State	thous.	December	36.0p	16.9	0.8
County	thous.	December	7.5p	1.8	7.4
County	thous.	December	39.3p	1.6	3.0
County	thous.	December	10.39p	0.1	-6.0
County	thous.	December	42.8p	1.8	-4.9
County	thous.	December	6.12p	1.1	8.1
County	thous.	December	33.5p	3.7	9.3
County	thous.	December	211.91p	-8.4	9.8
County	thous.	December	6.26p	4.5	12.3
County	thous.	December	32.3p	-1.9	10.0

Economic Indicators

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A Monthly Report by the Research Division

Dr. Thomas K. Hitch, Senior Vice President Shurei Hirozawa, Vice President

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The Deep Water Power Transmission Cable

It now appears likely that very large amounts of geothermal power can be produced on the Big Island—up to perhaps 1,000 megawatts. But the needs of that island can be met with less than 100 megawatts. Barring the development of some great power user there such as a manganese nodule processing plant (still very speculative) the question arises as to how this geothermal power, if produced, could be transmitted to Oahu where annual electric power consumption is in the range of 950 megawatts.

The most efficient way of transmitting electric power over long distances is by cable, sending it in direct current form and then converting it to alternating current before distribution to consumers. Power losses in transit amount to only about 5 percent via direct current but are significantly greater with alternating current.

To date the longest underwater power transmission cable is between Norway and Denmark, is only 78 miles long, and lies at a maximum depth of 1,800 feet. By contrast, a Big Island-Oahu cable would have to be more than twice as long and would lie at depths up to 7,000 feet. This means that the cable would have to be thicker and heavier than any ever built in order to withstand tremendous pressures, and this creates immense problems of deployment. The length of the cable is so great, also, that it would have to be spliced in many places—and these splices, ordinarily the weakest point in a cable system, would have to be as strong as the cable itself.

All of these technical problems require an immense amount of research and testing not only in order to develop a satisfactory cable but to develop a ship capable of laying and repairing it. The total cost of this feasibility study is estimated at \$17 million. Since the Reagan Administration did not release any funds for the cable last year, the State of Hawaii appropriated \$600,000 to permit the initial research to get under way—half of this amount for expenditures in fiscal 1982 and half for fiscal 1983—with the hope that the U.S. government can in time be brought into the funding picture because of the national and international application of the cable techniques.

For the deep water cable project the State chose Hawaiian Electric Co. as the prime contractor, and the utility picked Parsons Hawaii as the systems integration manager. Parsons is coordinating the technical work with the subcontractors.

Phase I of the Hawaii Deep Water Cable Program was expected to be completed by the end of this month. Phase I is the preliminary program definition and includes preliminary route survey, prototype cable design criteria, and cable vessel inventory and capability survey.

Phase II is divided into three parts: A, final program definition; B, design and test; and C, system validation and cable operations and test. Hawaiian Electric wants to begin work on IIA as soon as Phase I is completed if funds are available. Being sought is \$1,179,500 from the Department of Energy and \$550,000 from the Legislature which, with the \$300,000 already appropriated, would cover the \$2.05-million cost of this phase. Phase IIB will cost from \$6 to \$7 million and will include the manufacturing of test lengths of cable for testing in the laboratory, manufacture and testing of the splice, the design of the cable vessel, and the procurement of cable-handling equipment. Phase IIC will cost around \$7.5 million and will involve the manufacture of at-sea test lengths of cable which will be laid on the ocean floor and retrieved for examination and retesting, and also cable vessel modifications.

This demonstration program is scheduled to be completed by the end of 1984, which may be optimistic as funding for the expensive later phases is uncertain. Even if this program is completed on schedule, it will take another three to five years to manufacture and install the cable, so at the earliest it would be the late 1980s before Oahu could switch on electric power from the Big Island. But without the funding for the research and development program it will never happen.

At this stage of the proceedings, any estimate of the cost of building and installing a 500-megawatt cable to run from the Big Island to Oahu is going to have a wide margin of error, but estimates now are in the \$400 million range. Development of the geothermal fields to supply the 500 megawatts of capacity will cost more than \$1 billion. But a 500-megawatt transmission cable would displace 6.5 million barrels of oil annually which in 1981 dollars would be worth \$250 million. The up-front investment is huge, but the eventual benefits are obvious. The dollars Hawaii pays for oil would stay at home and circulate here, to expand our own local economy. A deep water power transmission cable has the potential for sustained long-term economic benefits for Hawaii.



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business activity-hawaii

series	unit	period	number	from preceding period	year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	January	320,422p	-6.8	4.2
Westbound	number	January	239,037p	-6.6	1.9
Eastbound	number	January	81,385p	-7.6	11.4
AVERAGE DAILY VISITOR CENSUS*	number	January	91,817p	2.9	6.0
AVERAGE LENGTH OF STAY*	no. of days	January	11.9	10.2	3.5
MEETINGS ATTENDANCE	number	January	10,998	122.0	-49.8
ORGANIZED GROUP TOURS	number	January	53,471	7.5	0.2
NEIGHBOR ISLAND VISITORS*					
Maui	number	January	109,677p	2.7	-6.7
Hawaii	number	January	51,518p	-5.4	-2.6
Kauai	number	January	51,933p	-6.1	-4.3
VISITOR ACCOMMODATIONS					
STATE	number	October	57,239	1.3	2.8
Oahu	number	October	33,480	-0.3	-2.1
Waikiki	number	October	28,986	-0.4	-4.3
Maui (includes 11 on Lanai)	number	October	10,782	0.7	8.2
Molokai	number	October	537	-0.4	-3.8
Hawaii	number	October	7,219	5.2	14.6
Kauai	number	October	5,221	8.1	10.9
HOTEL OCCUPANCY					
STATE	percent	January	69.3	10.9	7.9
Oahu	percent	January	77.7	8.8	9.6
Maui	percent	January	66.6	12.5	0.9
Hawaii	percent	January	36.7	3.2	-1.1
Kauai	percent	January	50.4	-0.4	-14.3
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. \$	4th Qtr. 1981	402.6	6.8	19.5
Military Payroll	mil. \$	4th Qtr. 1981	174.4	12.6	20.6
Civilian Payroll	mil. \$	4th Qtr. 1981	134.9	10.5	20.6
Local Purchases	mil. \$	4th Qtr. 1981	93.3	-6.7	15.7
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan. 1-Feb. 27	42	.....	3.0
N. Y. RAW SUGAR PRICE	\$/ton	February	355.55	-2.2	-32.3
PINEAPPLE SHIPMENTS					
CANNED*	thous. \$	Jan.-Dec.	169.8	.....	-10.9
FRESH	thous. lbs.	January	19,102	.....	9.8
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised): All items	1967 = 100	December	259.3	0.1 ³	9.4
All Urban Consumers: All items	1967 = 100	December	258.3	-0.4 ³	9.4
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	January	548.2	-3.1	-3.2
GAS SALES	thous. therms	January	4,303	5.0	-0.2
TELEPHONES IN SERVICE	thous.	January	732	0.5	2.2

p=preliminary.
*Estimated Westbound.
*Gross taxable income valued at time of shipment.
*Compared to October, 1981.

Tourism

Tourism registered a 4.2% increase in visitors in January. That's good news because it's the first January increase in 3 years, even though the comparison is against a very poor showing in January 1981 when tourism dropped 8.6%.

The January 1982 count was just about the same as four years earlier in January 1978, but was 4.7% below January 1980 and 13.6% below January 1979.

Eastbound traffic continued strong, up 11.4% over the year earlier figure, however it was 5.7% below January 1980, the biggest January on record.

West-bound traffic, while 1.9% ahead of January 1981, regained very little of the ground lost the past 2 years. It trailed the 1979 peak by 18.5% and was back to a level reached 5 years earlier in January 1977.

business activity-hawaii [cont.]

series	unit	period	number	percent change	
				from preceding period	year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. \$	December	87.1	-34.1	-25.0
	mil. \$	Jan.-Dec.	1,584.7	.....	1.0
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. \$	Jan.-Nov. 1981	446,372	.....	-29.4
C&C of Honolulu	thous. \$	January 1982	4,014	.....	-74.0
Maui County	thous. \$	Jan.-Nov. 1981	116,790	.....	-36.8
Hawaii County	thous. \$	January 1982	3,016	.....	-38.3
Kauai County	thous. \$	January 1982	2,814	.....	-19.4
SINGLE FAMILY UNITS					
STATE	number	Jan.-Nov. 1981	2,325	.....	-34.9
C&C of Honolulu	number	January 1982	16	.....	-78.7
Maui County	number	Jan.-Nov. 1981	371	.....	-49.7
Hawaii County	number	January 1982	67	.....	-31.6
Kauai County	number	January 1982	30	.....	-28.6
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Nov. 1981	3,400	.....	-41.6
C&C of Honolulu	number	January 1982	4	.....	-97.4
Maui County	number	Jan.-Nov. 1981	1,085	.....	-30.1
Hawaii County	number	January 1982	0	.....	.....
Kauai County	number	January 1982	0	.....	.....
NONRESIDENTIAL					
STATE	thous. \$	Jan.-Nov. 1981	324,444	.....	-8.5
C&C of Honolulu	thous. \$	January 1982	9,510	.....	-74.5
Maui County	thous. \$	Jan.-Nov. 1981	26,914	.....	-28.1
Hawaii County	thous. \$	January 1982	2,339	.....	192.6
Kauai County	thous. \$	January 1982	625	.....	-29.3
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. \$	Jan.-Feb.	50,365	.....	40.8
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. \$	Jan.-Feb.	17,056	.....	27.7
STATE	thous. \$	Jan.-Feb.	23,472	.....	132.4
COUNTY	thous. \$	Jan.-Feb.	9,837	.....	-20.2
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. \$	Jan.-Feb.	44,951	.....	77.7
Maui County	thous. \$	Jan.-Feb.	2,568	.....	604.3
Hawaii County	thous. \$	Jan.-Feb.	2,136	.....	-50.2
Kauai County	thous. \$	Jan.-Feb.	710	.....	-87.8
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967 = 100	February	298.1	-0.7	3.7
HIGH-RISE	1967 = 100	February	319.2	0.0	6.9
BUSINESS SALES					
GROSS BUSINESS RECEIPTS					
	mil. \$	December	1,298.0	-20.4	-7.5
	mil. \$	Jan.-Dec.	20,903.8	.....	10.2
DIVERSIFIED MANUFACTURING					
	mil. \$	December	28.5	-43.8	-34.3
	mil. \$	Jan.-Dec.	614.0	.....	-1.0
DIVERSIFIED AGRICULTURE					
	mil. \$	December	14.6	40.5	0.3
	mil. \$	Jan.-Dec.	176.6	.....	25.0
RETAILING					
	mil. \$	December	470.0	-18.1	3.7
	mil. \$	Jan.-Dec.	7,149.6	.....	12.8
WHOLESALE					
	mil. \$	December	374.4	-13.1	-2.3
	mil. \$	Jan.-Dec.	5,837.7	.....	22.1
SERVICES					
	mil. \$	December	244.0	-26.9	-12.2
	mil. \$	Jan.-Dec.	4,003.2	.....	6.6
OAHU NEW CAR AND PASSENGER TRUCK SALES					
	number	December	3,224	20.2	5.3

The strongest segments in the westbound market were Canadian traffic which rebounded 16.5%, and visitors from Chicago and New York which increased 19%. These increases were attributed primarily to severe winter weather on the mainland - especially in the East and Midwest - and in Canada, and to a heavy dose of advertising depicting Hawaii's blue skies and sunshine in contrast to the mainland deep freeze.

Disturbing was the 17% plunge in traffic from the West Coast, Hawaii's biggest mainland market, which didn't suffer the icy weather conditions that plagued much of the rest of the nation.

Unfortunately, the Neighbor Islands didn't share the January upturn in visitors. Visitor arrivals to Maui were down 6.7%, the Big Island count fell 2.6%, and Kauai recorded 4.3% fewer visitors.

finance - hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil. \$	January 31	4,777.2	-2.9	12.4
Honolulu County	mil. \$	January 31	3,964.4	-3.6	14.2
Mau County	mil. \$	January 31	298.6	2.8	7.9
Hawaii County	mil. \$	January 31	346.1	-0.6	-1.2
Kauai County	mil. \$	January 31	168.1	-0.1	10.3
BANK DEMAND DEPOSITS					
STATE	mil. \$	January 31	1,087.0	-10.3	-9.3
Honolulu County	mil. \$	January 31	914.0	-11.6	-9.1
Mau County	mil. \$	January 31	69.3	-1.7	-14.5
Hawaii County	mil. \$	January 31	73.7	-4.3	-10.9
Kauai County	mil. \$	January 31	30.0	1.0	2.9
DEBITS TO DEMAND DEPOSITS					
STATE	mil. \$	January	7,181.3	-10.7	-0.3
Honolulu County	mil. \$	January	6,648.1	-10.6	0.7
Mau County	mil. \$	January	226.4	-14.6	-12.5
Hawaii County	mil. \$	January	220.9	-11.6	-4.7
Kauai County	mil. \$	January	88.0	-6.2	-7.1
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	January	74.99	-10.1	9.3
Honolulu County	annual rate	January	81.88	-9.8	9.3
Mau County	annual rate	January	38.87	-16.0	2.5
Hawaii County	annual rate	January	35.19	-11.3	5.5
Kauai County	annual rate	January	35.37	-2.5	-1.3
STATE TAX COLLECTIONS*					
TAX COLLECTIONS—STATE	thous. \$	January	91,744	-10.2	10.4
Honolulu County	thous. \$	January	79,496	-10.7	11.3
Mau County	thous. \$	January	4,672	-12.5	-4.4
Hawaii County	thous. \$	January	5,454	4.9	12.9
Kauai County	thous. \$	January	2,122	-16.3	6.0

*Excludes property taxes which were formerly collected by the State but are now collected by the Counties.

employment and unemployment-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
STATE					
Civilian Labor Force	thous.	January	445.0p	-1.5	1.6
Employment	thous.	January	410.8p	-1.8	0.9
Unemployment	thous.	January	25.2p	4.1	15.9
Unemployment Rate	percent	January	5.7p	7.5	14.0
C & C OF HONOLULU					
Civilian Labor Force	thous.	January	343.1p	-1.4	1.6
Employment	thous.	January	325.2p	-1.8	1.0
Unemployment	thous.	January	17.9p	5.6	15.5
Unemployment Rate	percent	January	5.2p	6.1	13.0
MAUI COUNTY					
Civilian Labor Force	thous.	January	38.3p	-1.5	1.9
Employment	thous.	January	35.9p	-2.3	1.0
Unemployment	thous.	January	2.5p	8.8	14.0
Unemployment Rate	percent	January	6.4p	10.3	10.3
HAWAII COUNTY					
Civilian Labor Force	thous.	January	42.6p	-3.0	0.1
Employment	thous.	January	39.3p	-2.4	-0.4
Unemployment	thous.	January	3.3p	-9.6	6.5
Unemployment Rate	percent	January	7.8p	-6.0	6.8
KAUAI COUNTY					
Civilian Labor Force	thous.	January	20.9p	0.7	4.0
Employment	thous.	January	19.5p	-0.3	1.0
Unemployment	thous.	January	1.5p	11.5	52.6
Unemployment Rate	percent	January	7.0p	12.9	52.2
JOB COUNT BY INDUSTRY					
TOTAL INDUSTRY					
SUGAR (incl. app. head)	thous.	January	434.9p	-2.8	-1.0
PRINTING & Publishing	thous.	January	9.0p	-0.6	-1.1
DIVERSIFIED MANUFACTURING	thous.	January	3.2p	-19.2	-3.1
Excluding sugar and petroleum	thous.	January	15.8p	-2.5	-2.8
Durable Goods	thous.	January	4.3p	0	-3.4
Non-Durable Goods	thous.	January	11.5p	-3.8	-3.0
Apparel and Textiles	thous.	January	3.0p	0	1.7
DIVERSIFIED AGRICULTURE					
Including sugar and pineapple	thous.	January	7.4p	-17.3	-6.3
Excluding sugar and pineapple	thous.	January	20.6p	-2.4	-10.4
CONTRACT CONSTRUCTION	thous.	January	20.6p	-2.1	-1.4
TRANSPORTATION	thous.	January	7.3p	-0.7	0
UTILITIES	thous.	January	2.5p	0	-1.9
RETAIL TRADE	thous.	January	86.0p	-3.2	-0.8
WHOLESALE TRADE	thous.	January	18.2p	-1.1	-1.4
FINANCE, INSURANCE AND REAL ESTATE	thous.	January	32.4p	0.6	1.6
HOTEL SERVICES-STATE	thous.	January	25.6p	-0.6	2.8
Honolulu County	thous.	January	14.4p	-1.7	-3.7
Mau County	thous.	January	5.9p	0	15.5
Hawaii County	thous.	January	3.1p	3.4	3.4
Kauai County	thous.	January	2.2p	2.3	18.9
OTHER SERVICES	thous.	January	74.9p	-1.9	-1.1
FEDERAL GOVERNMENT	thous.	January	30.8p	-0.8	2.8
Civilian Agencies	thous.	January	10.7p	-1.8	-1.4
Defense Department	thous.	January	20.1p	0	5.2
STATE GOVERNMENT	thous.	January	44.6p	-5.8	-0.7
COUNTY GOVERNMENT	thous.	January	12.1p	-1.6	-6.5
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT CONSTRUCTION					
Average Hourly Earnings	dollars	January	13.92p	1.5	10.7
Average Weekly Hours	hours	January	37.9p	-0.3	-3.3
MANUFACTURING					
Average Hourly Earnings	dollars	January	7.86p	3.6	7.7
Average Weekly Hours	hours	January	38.0p	-3.3	-1.3
COMMUNICATION AND UTILITIES					
Average Hourly Earnings	dollars	January	10.64p	2.4	12.8
Average Weekly Hours	hours	January	44.1p	3.0	-2.4
TRADE					
Average Hourly Earnings	dollars	January	6.23p	1.8	6.9
Average Weekly Hours	hours	January	33.1p	-1.2	0.9
FINANCE					
Average Weekly Earnings	dollars	January	221.34p	4.5	1.8
HOTELS					
Average Hourly Earnings	dollars	January	6.42p	2.2	10.1
Average Weekly Hours	hours	January	32.3p	0	0

p=preliminary.

Construction

If the pace of building permit approvals on Oahu during January is any indication, business in the construction industry could be devastating this year. Private authorizations totaled \$13 million in January, 74% below January last year. When adjusted for inflation, January 1982 hits rock-bottom. It's the lowest recorded since 1960 when reporting began. Residential authorizations essentially came to a halt with only 20 units approved—16 singles and 4 multiples. Non-residential authorizations, though 74% below January the year before, were not unusually low for a January. It's just that January 1981 was abnormally high.

The Neighbor Islands at least fared better than Oahu judging by approvals for Kauai and the Big Island. The Maui report isn't out yet. While no permits were taken out for multiple-family construction on either Kauai or the Big Island, the single-family sector held its own, and non-residential permits, which tend to fluctuate rather widely from one month to another, were not unusually low.

Fortunately, public works projects continued strong in the first two months of the year.

Employment Revisions

Labor force estimates are now being computed using the 1980 Census as a reference point. Data have been revised back through 1976 but have not yet been released. The State Department of Labor will publish annual averages next month and monthly data sometime in May. The rebasing resulted in a rather dramatic increase in employment—about 7%—and brought the employment series more in line with the job count which it hasn't resembled for the past six years.

When the federal government, in striving for uniformity in the calculation of state unemployment rates began requir-

public assistance-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)					
INTRASTATE INITIAL CLAIMS	number	January	13,465	3.8	3.1
INTERSTATE INITIAL CLAIMS	number	January	8,971	31.5	46.9
UNEMPLOYMENT INSURANCE BENEFITS	thous. \$	January	6,377	2.9	-8.0
PUBLIC ASSISTANCE					
RECIPIENTS*					
Income Maintenance	no. persons	January	67,910	-1.1	-4.9
Services	no. cases	4th Qtr. 1981	8,243	-13.8	-33.8
Medical	no. patients	January	44,104	-19.3	-15.9
Food Stamps	no. persons	January	n.a.	.....	.....
PAYMENTS					
Income Maintenance	thous. \$	January	9,231	-1.4	-2.3
Services	thous. \$	4th Qtr. 1981	3,378	-27.8	-32.5
Medical	thous. \$	January	8,171	-38.8	-21.7
Food Stamps	thous. \$	January	n.a.	.....	.....

n.a.=not available.

*Count of recipients is duplicated. A person may be counted in each category.

population, personal income-hawaii

series	unit	period	number	percent change	
				from preceding period	year ago
POPULATION					
DE FACTO—STATE	number	July 1, 1980	1,056,500p	.....	0.4
TOTAL RESIDENT—STATE	number	July 1, 1981	989,000e	.....	2.0
C & C of Honolulu	number	July 1, 1981	779,100e	.....	1.7
Mau County	number	July 1, 1981	74,100e	.....	3.5
Hawaii County	number	July 1, 1981	95,600e	.....	3.0
Kauai County	number	July 1, 1981	40,200e	.....	2.3
CIVILIAN RESIDENT—STATE	number	July 1, 1980	912,000p	.....	2.2
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019	.....	5.4*
Asiatic	number	April 1, 1980	48,813	.....	8.7*
Alaskan	number	April 1, 1980	12,206	.....	-5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023	.....	-0.8*
FOREIGN IMMIGRATION†	number	12 mo. total for period ending 2/82	6,832	.....	11.6
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil. \$	3rd Qtr. 1981	10,545	3.2	11.3
Employment Income†	mil. \$	3rd Qtr. 1981	7,943	2.2	9.7
Manufacturing	mil. \$	3rd Qtr. 1981	456	0	8.3
Construction & Mining	mil. \$	3rd Qtr. 1981	652	2.4	29.6
Wholesale	mil. \$	3rd Qtr. 1981	341	2.4	3.0
Retail	mil. \$	3rd Qtr. 1981	927	1.9	6.2
Finance, Ins. & Real Estate	mil. \$	3rd Qtr. 1981	671	1.1	16.5
Transp., Comm., & Util.	mil. \$	3rd Qtr. 1981	768	1.1	9.9
Services	mil. \$	3rd Qtr. 1981	1,577	2.5	4.6
Farm & Other	mil. \$	3rd Qtr. 1981	264	2.3	6.9
Federal Civilian	mil. \$	3rd Qtr. 1981	701	3.2	10.2
Federal Military	mil. \$	3rd Qtr. 1981	727	3.3	13.9
State & Local	mil. \$	3rd Qtr. 1981	858	3.0	6.1
Property Income	mil. \$	3rd Qtr. 1981	1,642	4.6	18.2
(Dividends, Interest, Rent)					
Transfer Payments (Social Security, Unemployment, etc.)	mil. \$	3rd Qtr. 1981	959	9.2	13.1
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	10,101 r	.....	10.6
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573	.....	9.5
Mau County	dollars	1979	8,399	.....	10.3
Hawaii County	dollars	1979	7,760	.....	8.7
Kauai County	dollars	1979	7,762	.....	8.6

a=estimated.

p=preliminary.

r=revised.

**Total personal income and all components are seasonally adjusted at annual rates.

†These immigration statistics include only those entering Honolulu ports and do not include status changes.

‡Includes wage and salary disbursements, proprietors' income, and other labor income.

u. s. economic indicators

series	unit	period	number	percent change	
				from preceding period	year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF LEADING INDICATORS*	1967=100	January	127.0p	-0.6	-6.1
GROSS NATIONAL PRODUCT**					
In Current Dollars	bil. \$	4th Qtr. 1981	2,995.3 r	1.0	9.7
In 1972 Dollars	bil. \$	4th Qtr. 1981	1,497.6 r	-1.2	0.8
PERSONAL INCOME**	bil. \$	January	2,494.7p	0.2	8.4
RETAIL SALES*	mil. \$	January	86,119p	-1.1	3.2
INDUSTRIAL PRODUCTION*	1967=100	January	139.1p	-3.0	-8.1
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil. \$	December	51,492.7	7.8	20.9
TURNOVER OF DEMAND DEPOSITS**	annual rate	December	206.6	8.3	37.0
BANK LOANS*	bil. \$	December	975.9p	0.1	5.9
CHARGED BY BANKS	percent	February	16.56	5.1	-17.9
CONSUMER INSTALLMENT DEBT*	mil. \$	December	326,869	-0.1	6.7
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil. \$	December	231.0	-1.5	-10.8
CONSTRUCTION COST INDEXES					
Residences	1967=100	November	306.6	0.9†	9.9
Apts., Hotel, Office Bldgs.	1967=100	November	309.4	0.7†	9.7
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	January	99,581	0.0	-0.3
UNEMPLOYMENT*	thous.	January	9,298	-2.9	15.9
UNEMPLOYMENT RATE*	percent	January	8.5	-3.4	14.9
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	January	282.5	0.4	8.4
All Urban Consumers	1967=100	January	282.1	0.4	8.2
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	January	277.3	0.4	6.3
All Commodities	1967=100	January	298.2	0.8	4.7

p=preliminary.

r=revised.

†Compared to September, 1981.

*Seasonally adjusted.

**Season